

ARIZONA HOUSE OF REPRESENTATIVES  
Fifty-fourth Legislature - Second Regular Session

## CAUCUS AGENDA #12

March 12, 2020

Bill Number	Short Title	Committee	Date	Action
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<a href="#">BLUE SHEET #1</a>	HB2684	<u>crisis management team; underperforming districts</u>		
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### Committee on Appropriations

**Chairman:** Regina E. Cobb, LD 5

**Analyst:** Tim Grubbs

**Vice Chairman:** John Kavanagh, LD 23

**Intern:** Jake Sonnenburg

\*[SB 1224](#)<sup>(BSI)</sup> ~~empowerment scholarships; qualified schools; reservations~~  
(Now: empowerment scholarships; qualifications; administration;

appropriations)

SPONSOR: ALLEN S, LD 6

APPROP

None

### Committee on Federal Relations

**Chairman:** Mark Finchem, LD 11

**Analyst:** Diana Clay

**Vice Chairman:** Gail Griffin, LD 14

**Intern:** Grace Korthuis-Smith

\*[HB 2092](#)<sup>(BSI)</sup> federal government; land acquisition; consent

SPONSOR: FINCHEM, LD 11 HOUSE

FR

1/22/2020

DPA

(4-3-0-0)

(No: BOLDING, HERNANDEZ A, MEZA)

\*Pending Rules Action



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fourth Legislature  
Second Regular Session

Senate: ED DPA 6-3-0-0 | 3<sup>rd</sup> Read: 16-13-0-0

## **SB 1224: empowerment scholarships; qualifications; administration; appropriations**

**Sponsor: Senator Allen S, LD 6**  
**Committee on Appropriations**

### **Overview**

Directs the State Board of Education (SBE), rather than the Arizona Department of Education (ADE), to adopt rules and policies necessary to administer Arizona Empowerment Scholarships (ESAs). Modifies the definitions of *qualified school*, *parent* and *curriculum*. Appropriates a total of \$1,100,000 and 14 full-time employees (FTEs) from the state General Fund (GF) to ADE and SBE for ESA program administration.

### **History**

Established by [Laws 2011, Chapter 75](#), the ESA program is subject to the rules and policies adopted by ADE, which include policies for: 1) conducting examinations of the use of ESA monies; 2) conducting random, quarterly and annual reviews of ESAs; 3) providing for the establishment of an online anonymous fraud reporting service; 4) establishing an anonymous telephone hotline for fraud; and 5) the requirement for a surety bond or insurance for ESA holders ([A.R.S. § 15-2402\(H\)](#)).

Statute requires ADE to make quarterly transfers to the State Treasurer for deposit into each qualified student's ESA account ([A.R.S. § 15-2402](#)). The State Treasurer is allowed to contract with private financial management firms for the management of ESAs ([A.R.S. § 15-2403](#)).

ADE is allowed to retain five percent of the sum of the base support level and additional assistance for each student with an ESA for deposit in the ADE ESA Fund. Statute directs ADE to then transfer monies for deposit in the State Treasurer ESA Fund ([A.R.S. § 15-2402\(C\)](#)).

Currently, a *qualified student* may use ESA monies for specified educational costs at a *qualified school*. Statute defines *qualified school* as a nongovernmental primary or secondary school or a preschool for pupils with disabilities that is located in Arizona and that does not discriminate on the basis of race, color or national origin. *Parent* means an Arizona resident who is the parent or legal guardian of a qualified student ([A.R.S. § 15-2401](#)).

Session law allows a student who resides within the boundaries of an Indian reservation in Arizona and who paid tuition for the 2017-2018 or 2018-2019 school years to a nongovernmental school or preschool for pupils with disabilities that is located in an adjacent state and that is within two miles of the shared border with Arizona to continue using ESA monies to pay tuition until July 1, 2020 ([Laws 2019, Chapter 276](#)).

The ESA program parent handbook for school year 2019-2020 can be found [here](#).

☐ Prop 105 (45 votes)

☐ Prop 108 (40 votes)

☐ Emergency (40 votes)

☐ Fiscal Note

## **Provisions**

### ***Definitions***

1. Modifies the definition of *qualified school* to mean, for qualified students who reside within the boundaries of an Indian reservation in Arizona, a nongovernmental primary or secondary school or a preschool for pupils with disabilities that is located in an adjacent state and that is within two miles of the Arizona border. (Sec. 1)
2. Adds *stepparent* to the definition of *parent*. (Sec. 1)
3. Expands the definition of *curriculum* to include recommended supplemental materials. (Sec. 1)

### ***ESA Program Administration***

4. Directs SBE, rather than ADE, to adopt rules and policies necessary to administer ESAs. (Sec. 3)
  - a) Mandates that SBE adopt rules and policies for establishing an appeals process. (Sec. 2, 3)
  - b) Requires, by November 1, 2020, SBE to adopt rules necessary to administer ESAs, retroactive to the date in which this act is filed with the Secretary of State (SOS). (Sec. 5)
  - c) Specifies that SBE must work in cooperation with ADE and may use existing resources and policy documents to guide the rulemaking process. (Sec. 5)
5. Transfers, from ADE to SBE, the ability to refer cases of substantial misuse of monies to the Attorney General (AG) if SBE obtains evidence of fraudulent use of an ESA. (Sec. 3)
6. Requires, by August 1, 2020, the AG to provide written guidance to ADE and SBE regarding what types of information collected under statute relating to ESAs are subject to public records requests under state and federal law, retroactive to the date in which this act is filed with the SOS. (Sec. 6, 7)

### ***Handbook, Account Closure and Parental Appeals***

7. Instructs ADE to develop, by July 1 annually, an applicant and participant handbook that:
  - a) Includes information relating to policies and processes of ESAs; and
  - b) Complies with the rules adopted by SBE. (Sec. 3)
8. Requires the handbook to be posted on the ADE website. (Sec. 3)
9. Directs ADE to notify the parent of a qualified student that the student's ESA account will be closed in 60 calendar days, if the parent has not renewed the student's ESA account for three academic years. (Sec. 2)
  - a) Requires notification to be sent through certified mail, email and telephone, if applicable. (Sec. 2)
  - b) Specifies that the parent has 60 calendar days to renew the ESA and, if not renewed, that ADE must close the account and return remaining monies to the state. (Sec. 2)
10. Allows a parent to appeal to SBE any administrative decision that ADE makes, including determinations of allowable expenses, removal from the ESA program or enrollment eligibility. (Sec. 3)
  - a) Requires ADE to notify a parent in writing, at the same time the parent is notified of an administrative decision, that the parent may appeal the administrative decision and the appeal process. (Sec. 3)
  - b) Requires ADE to post this information on its website in the same location as the policy handbook. (Sec. 3)

### ***Allowable Uses for ESA Monies***

11. Allows ESA monies to be used for:
  - a) Associated goods that include educational and psychological evaluations, assistive technology rentals and braille translation goods approved by ADE; and
  - b) Supplementary materials. (Sec. 2)

12. Prohibits ESA monies from being used as contributions to a Coverdell education savings account. (Sec. 2)

***ESA Program Funds and Appropriations***

13. Deletes language that:
- a) Allows ADE to retain up to 5% of the sum of the base support level and additional assistance for each student with an ESA for deposit in the ADE ESA Fund; and
  - b) Requires ADE transfer 1% of the sum of the base support level and additional assistance for each student with an ESA for deposit in the State Treasurer ESA Fund. (Sec. 2)
14. Provides that the ADE ESA Fund and State Treasurer ESA Fund consist of monies appropriated by the Legislature and requires ADE and the State Treasurer to list monies in the Funds as separate line items in its budget estimates. (Sec. 2)
15. Appropriates the following from the state GF in FY 2021 to the ADE ESA Fund and from the ADE ESA Fund to ADE:
- a) \$276,000 and five FTEs to establish a call center for exclusive use for the ESA program at ADE;
  - b) \$388,000 and six FTEs for case managers to review and approve ESA applications at ADE and requires ADE to transition existing employees who review and approve applications out of their existing roles to employ a case management approach; and
  - c) \$136,000 and two FTEs for accounting staff. (Sec. 4)
16. Appropriates \$150,000 from the state GF in FY 2021 to ADE to conduct statewide seminars and trainings for ESA applicants and for staff professional development, marketing and community outreach activities. (Sec. 4)
17. Appropriates \$100,000 and one FTE from the state GF in FY 2021 to SBE to provide administrative support for the rulemaking process and appeals. (Sec. 4)
18. Appropriates \$50,000 from the state GF in FY 2021 to SBE for AG legal services for the appeals program. (Sec. 4)
19. Exempts the appropriations from lapsing. (Sec. 4)

***Miscellaneous***

20. Makes technical and conforming changes. (Sec. 1-3)



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fourth Legislature  
Second Regular Session

House: FR DPA 4-3-0-0

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## **HB2092: federal government; land acquisition; consent**

**Sponsor: Representative Finchem, LD 11**

**Caucus & COW**

### **Overview**

Requires consent of the Governor and State Legislature before any Arizona lands transfer to a Federal agency if the transfer negatively affects state or local property tax rolls.

### **History**

Primary property taxes fund the maintenance and operation budgets of state and local governments, such as school districts, counties, cities and community colleges. Secondary property taxes fund voter-approved general obligation bonds, budget overrides and special districts. Arizona's property tax system classifies property according to its use and there are 9 classifications. If property comes off the tax rolls a county has ability/choice to increase their tax rate to compensate for the associated loss in property tax revenues, if they are not at their constitutional levy limit.

Land ownership in the State of Arizona is categorized as follows: 17.6% Private; 42.1% Federal; 27.6% Indian Reservation; 12.7% State Trust. ([Arizona State Land Department](#))

Federally-owned land in each state varies but is concentrated in the Western United States: e.g., Alaska (61.3%); Nevada (79.6%); and the western states (46.4%) compared to Connecticut and Iowa (.3%); and other states (4.2%). ([Congressional Research Service](#))

Statute reflects the constitutional authority for this state to consent to the acquisition of privately- owned real property in Arizona by the Federal government only through the joint resolution process. The joint resolution must state the legal description of the land and purposes for which it will be used. ([A.R.S. 37-620.02](#))

A *resolution* is a declaration or expression of legislative opinion, will, intent or resolve in matters within the Legislature's purview. The *joint resolution* is processed through both houses of the Legislature and is signed by the Governor. It is used to provide for temporary measures having the effect of law (e.g. a contract or other official action). ([Arizona Legislative Council Bill Drafting Manual](#))

### **Provisions**

1. States that the express, affirmative consent of the Governor and Legislature is required for the sale, gift, grant or other transfer (transfer) of ownership of private property to a Federal agency if that transfer would remove the property from state, county and municipal property tax rolls. (Sec 1.)
2. Clarifies that any transfer requires the express, affirmative consent through the current joint resolution process. (Sec 1.)
3. Contains legislative findings. (Sec 2.)

### **Amendments**

#### Committee on Federal Relations

1. For the sale of property to the federal government or its agencies, requires the escrow agent or landowner to:
  - a) Notify the Speaker of the House and the President of the Senate that a contract for the sale has been placed in escrow; and
  - b) Request written approval from both officials.
2. Assesses a minimum civil penalty of \$500 to a maximum \$1,000 for failing to properly notify the stated officials.